

**SB0264**



**95TH GENERAL ASSEMBLY**

**State of Illinois**

**2007 and 2008**

**SB0264**

Introduced 2/7/2007, by Sen. John J. Cullerton

**SYNOPSIS AS INTRODUCED:**

210 ILCS 3/30  
210 ILCS 3/35

Amends the Alternative Health Care Delivery Act. Provides that there shall be no more than 10 birth center alternative health care models in the demonstration program authorized under the Act. Sets forth requirements for the location of the centers and for services and standards of the centers. Requires the Department of Public Health to adopt rules for the operation and research protocols of birth centers. Makes other changes.

LRB095 03976 DRJ 30779 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Alternative Health Care Delivery Act is  
5 amended by changing Sections 30 and 35 as follows:

6 (210 ILCS 3/30)

7 Sec. 30. Demonstration program requirements. The  
8 requirements set forth in this Section shall apply to  
9 demonstration programs.

10 (a) There shall be no more than:

11 (i) 3 subacute care hospital alternative health care  
12 models in the City of Chicago (one of which shall be  
13 located on a designated site and shall have been licensed  
14 as a hospital under the Illinois Hospital Licensing Act  
15 within the 10 years immediately before the application for  
16 a license);

17 (ii) 2 subacute care hospital alternative health care  
18 models in the demonstration program for each of the  
19 following areas:

20 (1) Cook County outside the City of Chicago.

21 (2) DuPage, Kane, Lake, McHenry, and Will  
22 Counties.

23 (3) Municipalities with a population greater than

1           50,000 not located in the areas described in item (i)  
2           of subsection (a) and paragraphs (1) and (2) of item  
3           (ii) of subsection (a); and  
4           (iii) 4 subacute care hospital alternative health care  
5           models in the demonstration program for rural areas.

6           In selecting among applicants for these licenses in rural  
7           areas, the Health Facilities Planning Board and the Department  
8           shall give preference to hospitals that may be unable for  
9           economic reasons to provide continued service to the community  
10          in which they are located unless the hospital were to receive  
11          an alternative health care model license.

12          (a-5) There shall be no more than a total of 12  
13          postsurgical recovery care center alternative health care  
14          models in the demonstration program, located as follows:

15                 (1) Two in the City of Chicago.

16                 (2) Two in Cook County outside the City of Chicago. At  
17                 least one of these shall be owned or operated by a hospital  
18                 devoted exclusively to caring for children.

19                 (3) Two in Kane, Lake, and McHenry Counties.

20                 (4) Four in municipalities with a population of 50,000  
21                 or more not located in the areas described in paragraphs  
22                 (1), (2), and (3), 3 of which shall be owned or operated by  
23                 hospitals, at least 2 of which shall be located in counties  
24                 with a population of less than 175,000, according to the  
25                 most recent decennial census for which data are available,  
26                 and one of which shall be owned or operated by an

1 ambulatory surgical treatment center.

2 (5) Two in rural areas, both of which shall be owned or  
3 operated by hospitals.

4 There shall be no postsurgical recovery care center  
5 alternative health care models located in counties with  
6 populations greater than 600,000 but less than 1,000,000. A  
7 proposed postsurgical recovery care center must be owned or  
8 operated by a hospital if it is to be located within, or will  
9 primarily serve the residents of, a health service area in  
10 which more than 60% of the gross patient revenue of the  
11 hospitals within that health service area are derived from  
12 Medicaid and Medicare, according to the most recently available  
13 calendar year data from the Illinois Health Care Cost  
14 Containment Council. Nothing in this paragraph shall preclude a  
15 hospital and an ambulatory surgical treatment center from  
16 forming a joint venture or developing a collaborative agreement  
17 to own or operate a postsurgical recovery care center.

18 (a-10) There shall be no more than a total of 8 children's  
19 respite care center alternative health care models in the  
20 demonstration program, which shall be located as follows:

21 (1) One in the City of Chicago.

22 (2) One in Cook County outside the City of Chicago.

23 (3) A total of 2 in the area comprised of DuPage, Kane,  
24 Lake, McHenry, and Will counties.

25 (4) A total of 2 in municipalities with a population of  
26 50,000 or more and not located in the areas described in

1 paragraphs (1), (2), or (3).

2 (5) A total of 2 in rural areas, as defined by the  
3 Health Facilities Planning Board.

4 No more than one children's respite care model owned and  
5 operated by a licensed skilled pediatric facility shall be  
6 located in each of the areas designated in this subsection  
7 (a-10).

8 (a-15) There shall be an authorized community-based  
9 residential rehabilitation center alternative health care  
10 model in the demonstration program. The community-based  
11 residential rehabilitation center shall be located in the area  
12 of Illinois south of Interstate Highway 70.

13 (a-20) There shall be an authorized Alzheimer's disease  
14 management center alternative health care model in the  
15 demonstration program. The Alzheimer's disease management  
16 center shall be located in Will County, owned by a  
17 not-for-profit entity, and endorsed by a resolution approved by  
18 the county board before the effective date of this amendatory  
19 Act of the 91st General Assembly.

20 (a-25) There shall be no more than 10 birth center  
21 alternative health care models in the demonstration program,  
22 located as follows:

23 (1) Four in the area comprising Cook, DuPage, Kane,  
24 Lake, McHenry, and Will counties, one of which shall be  
25 owned or operated by a hospital and one of which shall be  
26 owned or operated by a federally qualified health center.

1           (2) Three in municipalities with a population of 50,000  
2           or more not located in the area described in paragraph (1)  
3           of this subsection, one of which shall be owned or operated  
4           by a hospital and one of which shall be owned or operated  
5           by a federally qualified health center.

6           (3) Three in rural areas, one of which shall be owned  
7           or operated by a hospital and one of which shall be owned  
8           or operated by a federally qualified health center.

9           The first 3 birth centers authorized to operate by the  
10          Department shall be located in or predominantly serve the  
11          residents of a health professional shortage area as determined  
12          by the United States Department of Health and Human Services.  
13          There shall be no more than 2 birth centers authorized to  
14          operate in any single health planning area for obstetric  
15          services as determined under the Illinois Health Facilities  
16          Planning Act. If a birth center is located outside of a health  
17          professional shortage area, (i) the birth center shall be  
18          located in a health planning area with a demonstrated need for  
19          obstetrical service beds, as determined by the Illinois Health  
20          Facilities Planning Board or (ii) there must be a reduction in  
21          the existing number of obstetrical service beds in the planning  
22          area so that the establishment of the birth center does not  
23          result in an increase in the total number of obstetrical  
24          service beds in the health planning area.

25           (b) Alternative health care models, other than a model  
26          authorized under subsection (a-20), shall obtain a certificate

1 of need from the Illinois Health Facilities Planning Board  
2 under the Illinois Health Facilities Planning Act before  
3 receiving a license by the Department. If, after obtaining its  
4 initial certificate of need, an alternative health care  
5 delivery model that is a community based residential  
6 rehabilitation center seeks to increase the bed capacity of  
7 that center, it must obtain a certificate of need from the  
8 Illinois Health Facilities Planning Board before increasing  
9 the bed capacity. Alternative health care models in medically  
10 underserved areas shall receive priority in obtaining a  
11 certificate of need.

12 (c) An alternative health care model license shall be  
13 issued for a period of one year and shall be annually renewed  
14 if the facility or program is in substantial compliance with  
15 the Department's rules adopted under this Act. A licensed  
16 alternative health care model that continues to be in  
17 substantial compliance after the conclusion of the  
18 demonstration program shall be eligible for annual renewals  
19 unless and until a different licensure program for that type of  
20 health care model is established by legislation. The Department  
21 may issue a provisional license to any alternative health care  
22 model that does not substantially comply with the provisions of  
23 this Act and the rules adopted under this Act if (i) the  
24 Department finds that the alternative health care model has  
25 undertaken changes and corrections which upon completion will  
26 render the alternative health care model in substantial

1 compliance with this Act and rules and (ii) the health and  
2 safety of the patients of the alternative health care model  
3 will be protected during the period for which the provisional  
4 license is issued. The Department shall advise the licensee of  
5 the conditions under which the provisional license is issued,  
6 including the manner in which the alternative health care model  
7 fails to comply with the provisions of this Act and rules, and  
8 the time within which the changes and corrections necessary for  
9 the alternative health care model to substantially comply with  
10 this Act and rules shall be completed.

11 (d) Alternative health care models shall seek  
12 certification under Titles XVIII and XIX of the federal Social  
13 Security Act. In addition, alternative health care models shall  
14 provide charitable care consistent with that provided by  
15 comparable health care providers in the geographic area.

16 (d-5) The Department of Healthcare and Family Services  
17 (formerly Illinois Department of Public Aid), in cooperation  
18 with the Illinois Department of Public Health, shall develop  
19 and implement a reimbursement methodology for all facilities  
20 participating in the demonstration program. The Department of  
21 Healthcare and Family Services ~~Illinois Department of Public~~  
22 ~~Aid~~ shall keep a record of services provided under the  
23 demonstration program to recipients of medical assistance  
24 under the Illinois Public Aid Code and shall submit an annual  
25 report of that information to the Illinois Department of Public  
26 Health.



1 (e) Alternative health care models shall, to the extent  
2 possible, link and integrate their services with nearby health  
3 care facilities.

4 (f) Each alternative health care model shall implement a  
5 quality assurance program with measurable benefits and at  
6 reasonable cost.

7 (Source: P.A. 91-65, eff. 7-9-99; 91-838, eff. 6-16-00; revised  
8 12-15-05.)

9 (210 ILCS 3/35)

10 Sec. 35. Alternative health care models authorized.  
11 Notwithstanding any other law to the contrary, alternative  
12 health care models described in this Section may be established  
13 on a demonstration basis.

14 (1) Alternative health care model; subacute care  
15 hospital. A subacute care hospital is a designated site  
16 which provides medical specialty care for patients who need  
17 a greater intensity or complexity of care than generally  
18 provided in a skilled nursing facility but who no longer  
19 require acute hospital care. The average length of stay for  
20 patients treated in subacute care hospitals shall not be  
21 less than 20 days, and for individual patients, the  
22 expected length of stay at the time of admission shall not  
23 be less than 10 days. Variations from minimum lengths of  
24 stay shall be reported to the Department. There shall be no  
25 more than 13 subacute care hospitals authorized to operate

1 by the Department. Subacute care includes physician  
2 supervision, registered nursing, and physiological  
3 monitoring on a continual basis. A subacute care hospital  
4 is either a freestanding building or a distinct physical  
5 and operational entity within a hospital or nursing home  
6 building. A subacute care hospital shall only consist of  
7 beds currently existing in licensed hospitals or skilled  
8 nursing facilities, except, in the City of Chicago, on a  
9 designated site that was licensed as a hospital under the  
10 Illinois Hospital Licensing Act within the 10 years  
11 immediately before the application for an alternative  
12 health care model license. During the period of operation  
13 of the demonstration project, the existing licensed beds  
14 shall remain licensed as hospital or skilled nursing  
15 facility beds as well as being licensed under this Act. In  
16 order to handle cases of complications, emergencies, or  
17 exigent circumstances, a subacute care hospital shall  
18 maintain a contractual relationship, including a transfer  
19 agreement, with a general acute care hospital. If a  
20 subacute care model is located in a general acute care  
21 hospital, it shall utilize all or a portion of the bed  
22 capacity of that existing hospital. In no event shall a  
23 subacute care hospital use the word "hospital" in its  
24 advertising or marketing activities or represent or hold  
25 itself out to the public as a general acute care hospital.

26 (2) Alternative health care delivery model;

1 postsurgical recovery care center. A postsurgical recovery  
2 care center is a designated site which provides  
3 postsurgical recovery care for generally healthy patients  
4 undergoing surgical procedures that require overnight  
5 nursing care, pain control, or observation that would  
6 otherwise be provided in an inpatient setting. A  
7 postsurgical recovery care center is either freestanding  
8 or a defined unit of an ambulatory surgical treatment  
9 center or hospital. No facility, or portion of a facility,  
10 may participate in a demonstration program as a  
11 postsurgical recovery care center unless the facility has  
12 been licensed as an ambulatory surgical treatment center or  
13 hospital for at least 2 years before August 20, 1993 (the  
14 effective date of Public Act 88-441). The maximum length of  
15 stay for patients in a postsurgical recovery care center is  
16 not to exceed 48 hours unless the treating physician  
17 requests an extension of time from the recovery center's  
18 medical director on the basis of medical or clinical  
19 documentation that an additional care period is required  
20 for the recovery of a patient and the medical director  
21 approves the extension of time. In no case, however, shall  
22 a patient's length of stay in a postsurgical recovery care  
23 center be longer than 72 hours. If a patient requires an  
24 additional care period after the expiration of the 72-hour  
25 limit, the patient shall be transferred to an appropriate  
26 facility. Reports on variances from the 48-hour limit shall

1 be sent to the Department for its evaluation. The reports  
2 shall, before submission to the Department, have removed  
3 from them all patient and physician identifiers. In order  
4 to handle cases of complications, emergencies, or exigent  
5 circumstances, every postsurgical recovery care center as  
6 defined in this paragraph shall maintain a contractual  
7 relationship, including a transfer agreement, with a  
8 general acute care hospital. A postsurgical recovery care  
9 center shall be no larger than 20 beds. A postsurgical  
10 recovery care center shall be located within 15 minutes  
11 travel time from the general acute care hospital with which  
12 the center maintains a contractual relationship, including  
13 a transfer agreement, as required under this paragraph.

14 No postsurgical recovery care center shall  
15 discriminate against any patient requiring treatment  
16 because of the source of payment for services, including  
17 Medicare and Medicaid recipients.

18 The Department shall adopt rules to implement the  
19 provisions of Public Act 88-441 concerning postsurgical  
20 recovery care centers within 9 months after August 20,  
21 1993.

22 (3) Alternative health care delivery model; children's  
23 community-based health care center. A children's  
24 community-based health care center model is a designated  
25 site that provides nursing care, clinical support  
26 services, and therapies for a period of one to 14 days for

1 short-term stays and 120 days to facilitate transitions to  
2 home or other appropriate settings for medically fragile  
3 children, technology dependent children, and children with  
4 special health care needs who are deemed clinically stable  
5 by a physician and are younger than 22 years of age. This  
6 care is to be provided in a home-like environment that  
7 serves no more than 12 children at a time. Children's  
8 community-based health care center services must be  
9 available through the model to all families, including  
10 those whose care is paid for through the Department of  
11 Healthcare and Family Services ~~Public Aid~~, the Department  
12 of Children and Family Services, the Department of Human  
13 Services, and insurance companies who cover home health  
14 care services or private duty nursing care in the home.

15 Each children's community-based health care center  
16 model location shall be physically separate and apart from  
17 any other facility licensed by the Department of Public  
18 Health under this or any other Act and shall provide the  
19 following services: respite care, registered nursing or  
20 licensed practical nursing care, transitional care to  
21 facilitate home placement or other appropriate settings  
22 and reunite families, medical day care, weekend camps, and  
23 diagnostic studies typically done in the home setting.

24 Coverage for the services provided by the ~~Illinois~~  
25 Department of Healthcare and Family Services ~~Public Aid~~  
26 under this paragraph (3) is contingent upon federal waiver

1 approval and is provided only to Medicaid eligible clients  
2 participating in the home and community based services  
3 waiver designated in Section 1915(c) of the Social Security  
4 Act for medically frail and technologically dependent  
5 children or children in Department of Children and Family  
6 Services foster care who receive home health benefits.

7 (4) Alternative health care delivery model; community  
8 based residential rehabilitation center. A community-based  
9 residential rehabilitation center model is a designated  
10 site that provides rehabilitation or support, or both, for  
11 persons who have experienced severe brain injury, who are  
12 medically stable, and who no longer require acute  
13 rehabilitative care or intense medical or nursing  
14 services. The average length of stay in a community-based  
15 residential rehabilitation center shall not exceed 4  
16 months. As an integral part of the services provided,  
17 individuals are housed in a supervised living setting while  
18 having immediate access to the community. The residential  
19 rehabilitation center authorized by the Department may  
20 have more than one residence included under the license. A  
21 residence may be no larger than 12 beds and shall be  
22 located as an integral part of the community. Day treatment  
23 or individualized outpatient services shall be provided  
24 for persons who reside in their own home. Functional  
25 outcome goals shall be established for each individual.  
26 Services shall include, but are not limited to, case

1 management, training and assistance with activities of  
2 daily living, nursing consultation, traditional therapies  
3 (physical, occupational, speech), functional interventions  
4 in the residence and community (job placement, shopping,  
5 banking, recreation), counseling, self-management  
6 strategies, productive activities, and multiple  
7 opportunities for skill acquisition and practice  
8 throughout the day. The design of individualized program  
9 plans shall be consistent with the outcome goals that are  
10 established for each resident. The programs provided in  
11 this setting shall be accredited by the Commission on  
12 Accreditation of Rehabilitation Facilities (CARF). The  
13 program shall have been accredited by CARF as a Brain  
14 Injury Community-Integrative Program for at least 3 years.

15 (5) Alternative health care delivery model;  
16 Alzheimer's disease management center. An Alzheimer's  
17 disease management center model is a designated site that  
18 provides a safe and secure setting for care of persons  
19 diagnosed with Alzheimer's disease. An Alzheimer's disease  
20 management center model shall be a facility separate from  
21 any other facility licensed by the Department of Public  
22 Health under this or any other Act. An Alzheimer's disease  
23 management center shall conduct and document an assessment  
24 of each resident every 6 months. The assessment shall  
25 include an evaluation of daily functioning, cognitive  
26 status, other medical conditions, and behavioral problems.

1 An Alzheimer's disease management center shall develop and  
2 implement an ongoing treatment plan for each resident. The  
3 treatment plan shall have defined goals. The Alzheimer's  
4 disease management center shall treat behavioral problems  
5 and mood disorders using nonpharmacologic approaches such  
6 as environmental modification, task simplification, and  
7 other appropriate activities. All staff must have  
8 necessary training to care for all stages of Alzheimer's  
9 Disease. An Alzheimer's disease management center shall  
10 provide education and support for residents and  
11 caregivers. The education and support shall include  
12 referrals to support organizations for educational  
13 materials on community resources, support groups, legal  
14 and financial issues, respite care, and future care needs  
15 and options. The education and support shall also include a  
16 discussion of the resident's need to make advance  
17 directives and to identify surrogates for medical and legal  
18 decision-making. The provisions of this paragraph  
19 establish the minimum level of services that must be  
20 provided by an Alzheimer's disease management center. An  
21 Alzheimer's disease management center model shall have no  
22 more than 100 residents. Nothing in this paragraph (5)  
23 shall be construed as prohibiting a person or facility from  
24 providing services and care to persons with Alzheimer's  
25 disease as otherwise authorized under State law.

26 (6) Alternative health care delivery model; birth



1 center. A birth center shall have no more than 10 beds. A  
2 birth center is a designated site that is away from the  
3 mother's usual place of residence and in which births are  
4 planned to occur following a normal, uncomplicated, and  
5 low-risk pregnancy. A birth center shall offer prenatal  
6 care and community education services and shall coordinate  
7 these services with other health care services available in  
8 the community. A birth center shall be one or more of the  
9 following:

10 (A) A part of a hospital.

11 (B) A freestanding facility that is physically  
12 distinct from a hospital but is operated under a  
13 license issued to a hospital under the Hospital  
14 Licensing Act.

15 (C) A part of the operation of a federally  
16 qualified health center as designated by the United  
17 States Department of Health and Human Services.

18 (D) An entity or facility whose costs are  
19 reimbursable under Title XIX of the federal Social  
20 Security Act.

21 The Department shall adopt rules that establish  
22 standards equivalent to those of the American Association  
23 of Birth Centers' Standards for Freestanding Birth Centers  
24 for all birth centers. The Department's rules shall  
25 stipulate the necessary equipment for emergency care  
26 according to the American Association of Birth Centers'

1 standards. The Department's rules shall provide for a time  
2 period within which each birth center not part of a  
3 hospital must become accredited by the Commission for the  
4 Accreditation of Freestanding Birth Centers.

5 A birth center shall be certified to participate in the  
6 Medicare and Medicaid programs under Titles XVIII and XIX,  
7 respectively, of the federal Social Security Act. To the  
8 extent necessary, the Illinois Department of Healthcare  
9 and Family Services shall apply for a waiver from the  
10 United States Health Care Financing Administration to  
11 allow birth centers to be reimbursed under Title XIX of the  
12 federal Social Security Act.

13 A birth center shall be located within 30 minutes  
14 travel time from the general acute care hospital with which  
15 the birth center maintains a contractual relationship,  
16 including a transfer agreement, as required under this  
17 paragraph, except that for a birth center located in a  
18 rural area that has been designated as a health  
19 professional shortage area as determined by the United  
20 States Department of Health and Human Services and that has  
21 a demonstrated need for obstetrical service beds as  
22 determined by the Illinois Health Facilities Planning  
23 Board, the travel time may not exceed 30 minutes.

24 The services of a consultant physician who is certified  
25 or eligible for certification by the American Board of  
26 Obstetrics and Gynecology or the American Board of

1 Osteopathic Obstetricians and Gynecologists or has  
2 hospital obstetrical privileges are required in birth  
3 centers that do not have a physician on the clinical staff  
4 who is certified or eligible for certification by the  
5 American Board of Obstetrics and Gynecology or the American  
6 Board of Osteopathic Obstetricians and Gynecologists or  
7 who has hospital obstetrical privileges. A consultant  
8 physician may be available either on the premises or by  
9 phone.

10 If a birth center employs certified nurse midwives, a  
11 certified nurse midwife shall be the Director of Nursing  
12 for Midwifery Services who is responsible for the  
13 development of policies and procedures for services as  
14 provided by Department rules.

15 An obstetrician, family practitioner, or certified  
16 nurse midwife shall attend each woman in labor from the  
17 time of admission through birth and throughout the  
18 immediate post partum period. Attendance may be delegated  
19 only to another physician or certified nurse midwife.  
20 Additionally, a second staff person shall also be present  
21 at each birth who is under the supervision of the physician  
22 or certified nurse midwife in attendance, has specialized  
23 training in labor and delivery techniques and care of  
24 newborns, and receives planned and ongoing training as  
25 needed to perform assigned duties effectively.

26 The maximum length of stay in a birth center shall be

1 consistent with existing State laws allowing a 48-hour stay  
2 or appropriate post-delivery care, if discharged earlier  
3 than 48 hours.

4 A birth center shall participate in the Illinois  
5 Perinatal System under the Developmental Disability  
6 Prevention Act. At a minimum, this participation shall  
7 require a birth center to establish a letter of agreement  
8 with a hospital designated under the Perinatal System. A  
9 hospital that operates or has a letter of agreement with a  
10 birth center shall include the birth center under its  
11 maternity service plan under the Hospital Licensing Act and  
12 shall include the birth center in the hospital's letter of  
13 agreement with its regional perinatal center.

14 A birth center may not discriminate against any patient  
15 requiring treatment because of the source of payment for  
16 services, including Medicare and Medicaid recipients.

17 Within 9 months after the effective date of this  
18 amendatory Act of the 95th General Assembly, the Department  
19 shall adopt rules that are consistent with standards  
20 developed by the American College of Obstetrics and  
21 Gynecology.

22 The Department shall adopt other rules as necessary to  
23 implement the provisions of this amendatory Act of the 95th  
24 General Assembly within 9 months after the effective date  
25 of this amendatory Act of the 95th General Assembly.

26 (Source: P.A. 93-402, eff. 1-1-04; revised 12-15-05.)